

# **REQUEST FOR PROPOSALS FOR CONSULTING ACTUARIAL SERVICES**

**Release Date: August 21, 2017  
RFP Submission Due Date: September 14, 2017**

**BID# 6602 RFP**



## **Introduction**

The Town of West Hartford, Connecticut, Office of Financial Services, is requesting proposals for actuarial consulting services relating to the Town's casualty self-insured loss and allocated loss adjustment expense liabilities for the fiscal year July 1, 2017 to June 30, 2018.

The actuarial services include an actuarial forecast and an actuarial evaluation of the self-insured loss and allocated loss adjustment expense liabilities for the Town of West Hartford ("the Town") as of June 30, 2018. The actuarial forecast will be used for budgeting purposes and will be completed using loss and allocated loss adjustment expense data reported as of September 30, 2017. The actuarial evaluation will be used for reporting the Town's self-insured liabilities and will be completed using loss and allocated loss adjustment expense data reported as of June 30, 2018.

The actuarial forecast and evaluation will each be for loss liabilities ("loss reserves") and fiscal year claims expense ("loss costs") arising from claims occurring under the Town's plan for self-insurance. The Town's plan covers partial obligations for workers' compensation, heart & hypertension, general liability, law enforcement liability, public officials' liability, school leaders' liability and automobile liability.

## **Issuing Office**

This RFP is being issued by the Purchasing Department of the Town of West Hartford on behalf of the Office of Financial Services, hereinafter referred to as the "Town." The issuing officer is the Director of Financial Services.

## **Inquiries**

All technical inquiries regarding this RFP must be in writing and must be addressed to:

Peter Privitera  
Director of Financial Services  
Town of West Hartford  
50 South Main Street  
West Hartford, CT 06107-2431  
T: 860 561-7461  
[Peter.Privitera@westhartfordct.gov](mailto:Peter.Privitera@westhartfordct.gov)

The deadline for submitting questions related to this RFP Wednesday, August 30th. Responses to all questions will be furnished through a formal addendum following the closing date listed herein.

## **Incurring Cost**

The Town will not be held responsible for any costs incurred by the proposer for work performed in preparation and production of a proposal or for any work performed prior to the issuance of a contract.

## **Rejection/Acceptance of Proposals**

The Town reserves the right to refuse for any reason deemed to be in the Town's best interest any and/or all proposals submitted under this RFP.

This RFP is not an offer to contract. Acceptance of a proposal neither commits the Town to award a contract with any firm, even if all requirements in this RFP are met, nor limits its right to negotiate in the best interest of the Town. The Town reserves the right to contract with any firm.

### **Addenda to RFP**

Amendments to this RFP may be necessary prior to the closing date and will be furnished to all prospective proposers. Failure to acknowledge receipt of amendments in accordance with the instructions contained in the amendment may result in the proposal not being considered.

### **Submission of Proposals**

Each proposer must submit one original and four (4) copies of the proposal in a sealed envelope bearing on the outside the name of the firm, full address, name of the project for which the proposal is submitted and the date and time the proposal is due to: Peter Privitera, Director of Financial Services, at the address previously identified.

These proposals must be received by the Town no later than Thursday, September 14, 2017 at 3:00 p.m. Proposals received after the date and time prescribed shall not be considered for contract award and shall be returned to the proposer. Neither faxed nor emailed RFP responses will be accepted as a qualified RFP submission.

A proposer may correct, modify, or withdraw a proposal by sealed written notice, clearly marked as a correction, modification, or withdrawal, and received by the Purchasing Department prior to the time and date set forth for proposal submission.

### **Proprietary Information**

The Town will not disclose any portion of the proposals except to members of the proposal evaluation team prior to contract award. The Town retains the right to disclose the name of the successful proposer, the financial considerations and any other information in the proposal that is pertinent to the selection of the proposer.

### **Independent Project Cost Determination and Gratuities**

By submission of a proposal, the proposer certifies that in connection with its procurement:

The financial data in this offer has been arrived at independently, without consultation, communication, or agreement, for the purposes of restricting competition, as to any matter relating to such prices with any other proposer or competitor.

The financial data quoted in this offer will not change for a period of one hundred twenty (120) days after the receipt date, at the Town, of this offer.

Unless otherwise required by law, the financial data which has been quoted in this offer have not been knowingly disclosed by the proposer and will not knowingly be disclosed by the proposer prior to award, directly or indirectly to any other proposer or to any competitor.

No attempt has been made or will be made by the proposer to induce any other person or firm to submit or not to submit an offer for the purpose of restricting competition.

No elected official or appointed official or employee of the Town shall benefit financially or materially from this contract.

### **Prime Contractor Responsibility**

Vendors submitting proposals to this RFP may not utilize the service of subcontractors without the prior written approval of the Town.

### **Termination for Default or for the Convenience of the Contracting Agency**

Performance under any contract resulting from this RFP may be terminated by the Town whenever:

The contractor shall default in the performance of his/her contract and shall default within the period specified by the contracting officer in a notice specifying default; or

The contracting officer shall determine that termination is in the best interest of the Office of Financial Services of the Town.

Termination will be effected by delivery to the contractor of a notice to terminate, stating the date upon which the termination becomes effective.

In the event of termination of this agreement as a result of a breach by the contractor hereunder, the Town shall not be liable for any fees and may, at its sole option, award an agreement of the same services to another qualified firm with the best proposal or call for new proposals and award the agreement thereunder. The contractor shall be responsible for direct and consequential damages as a result of its breach, including but not limited to, extra costs required under the new agreement of similar services.

### **Ambiguity in the Request for Proposals (RFP)**

Prior to submitting the proposal, the contractor is responsible to bring to the Town's attention any ambiguity in this RFP. Failure to do so shall result in the contractor forfeiting any claim for adjustment based on such ambiguity as should have been noted by a prudent contractor.

In the event of any ambiguity between the Town's RFP and the proposer's proposal, then whatever shall be more favorable to the Town as determined in the sole discretion of the Director of Financial Services shall prevail and take precedence.

### **Ownership Information**

The Town shall have unlimited rights to use, disclose or duplicate, for any purpose whatsoever, all information developed, derived, documented or furnished by the proposer under any contract resulting from this RFP.

In the event of contract award, all data collected and other documentation produced as part of the contract will become the exclusive property of the Town and may not be copied or removed by any employee of the proposer without written permission of the Town.

## **Contract Agreement**

The selected proposer will be required to agree to and sign a formal written contract agreement between the Town and the proposer prepared by the Legal Department of the Town.

The annual fee relating to the period of performance under this contract is subject to annual appropriation by the Town. If there is no annual appropriation, then the contract will become null and void and of no force and effect. Both the Town and the Actuary will have the right, under the terms of the contract, to cancel the contract as of June 30 of any year on notice to the other party at least sixty days prior to that June 30<sup>th</sup> date.

## **Insurance Requirements**

The selected proposer, upon the signing of the formal contract, will be required to deliver an insurance certificate in amounts, companies and terms acceptable to the Risk Manager of the Town. See attached insurance requirements.

## **Competition Intended**

It is the Town's intent that this RFP permit competition. It shall be the proposer's responsibility to advise the Town in writing if any language, requirement, scope, specification, etc., or any combination thereof, inadvertently restricts or limits the requirements stated in this RFP to a single source. Such notification must be received by the Town not later than fourteen (14) days prior to the date set for acceptance of proposals.

## **Tax Exempt**

The Town is exempt from the payment of taxes imposed by the Federal Government and/or State of Connecticut. Such taxes must not be included in the bid price.

## **Scope of Services**

The forecast and evaluation of the Town's self-insured liabilities include seven actuarial estimates,

1. An evaluation of the ultimate self-insured casualty losses and allocated loss adjustment expenses for the completed but not fully settled Fiscal Years 1983 to 2018,
2. An evaluation of the outstanding casualty liabilities for (1), above, as of June 30, 2018,
3. A model of likely variation of actual losses and liabilities around the estimates in (1) and (2),
4. An evaluation of the discounted value of (2), above, as of June 30, 2018,
5. An evaluation of the loss costs incurred by the Town during Fiscal Year 2018 for the lines of insurance in 1, above,
6. A forecast for budgeting purposes of the loss costs expected to be incurred by the Town during Fiscal Year 2019, and
7. An estimate of the runoff Second Injury Fund assessment liabilities of the Town as of June 30, 2018 for claims incurred and not settled by the Connecticut Second Injury Fund for second injury claims incurred prior to June 30, 1999. (Due with the June 30, 1918 evaluation.)

In conducting his or her analysis, the Actuary shall rely primarily on data and information obtained from the Town's risk manager. The Actuary shall review those data for reasonableness and consistency; however, the Actuary shall not be required to audit the data.

The estimates of future claim activity developed in the Actuaries report should represent "actuarial central estimates" of future claim activity.

It was beyond the scope of this RFP to provide a cash flow analysis of the Town's self-insured obligations together with the assets dedicated to financing these obligations.

The exposures evaluated in by the Actuary are those insured under the Town's WC, H&H and SIR self-insurance programs and do not include all possible casualty liability exposures. For example, the SIR program will not cover pollution liability or the liability associated with settlement expenses that cannot be assigned to individual claims (unallocated loss adjustment expenses or ULAE). Nor does it include liabilities arising from any deductibles found in the Town's primary insurance policies or the credit risk arising from any excess or reinsurance policy. This report's estimates cover only the exposures self-insured through the workers' compensation, heart & hypertension, automobile liability, and other liability lines.

The services to be provided by the Actuary pursuant to this RFP shall be performed by the Actuary alone and the Actuary may not engage person or any other entity to perform these services without receiving prior express written approval from the Town.

#### Town Contact

Subsequent to the signing of a legal contract, the Town will designate a principal contact person between the actuary and the Town. That individual would transmit requests for actuarial services or specialized computations. Responsibility for the timely submission of census data to the actuary would rest with the Department of Financial Services.

#### **Proposal Content**

### **Section B**

#### **Format of Proposals**

To enable the Town to compare the proposals received, we ask that your proposal include the information specified below, in the sequence listed, with each section of your proposal numbered to correspond to the numbers sequenced below.

#### Profile of Proposer

- Affirm that the proposer is an actuary currently meets the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States issued by the American Academy of Actuaries.
- Indicate whether the actuary's firm is local, regional, national or international in the scope of its practice.
- Indicate the address of your home office.

- Indicate the major national and regional organizations of which your firm or its principals are members.
- Indicate whether your firm has been the subject of any professionals' disciplinary action by federal, state government or by a professional association. If yes, describe that disciplinary action.
- Identify the larger actuarial services clients handled by that local office, including non-profit organizations and governmental units (current or within the past five years). For governmental clients, please indicate how many years your firm has been their independent consulting actuaries. Identify the partners, managers, specialists or other professional staff persons from that local office and from any other offices of your firm who would be assigned to the Town actuarial services engagement. Describe their roles and provide a brief description of their professional experience, including their experience designations, licenses, and memberships that these individuals hold. Indicate the extent to which their governmental actuarial experience has been within the State of Connecticut. Indicate their participation in professional development programs in the governmental or nongovernmental actuarial services area. If more convenient, resumes may be included in an appendix appropriately cross-referenced here.
- Please provide any additional information about your firm that you believe will assist the Town in making its selection.

### **Proposed Approach**

Describe in narrative form your proposed approach to this engagement, including time deadlines by which you would want information from the Town, method of transmission of data from the Town to your firm, turnaround time in preparing the report quality controls within your firm with regard to reviewing the report before it is transmitted and the format of a standard report of an actuarial valuation (attach examples, if possible),

### **Fee**

1. Indicate your firm's proposed fee structure for the scope of work described for each of the four fiscal years beginning with the year July 1, 2017 to June 30, 2021. Your fee presentation should include any additional charges for out-of-pocket expenses. Your fee presentation should be clear as to what will or could be charged during each year of the term of the engagement.
2. Indicate your firm's current hourly billing rates for all classifications of professional personnel for services that might be requested by the Town that are beyond the scope of this engagement and identify how, if at all, these rates may be adjusted during the term of the engagement.
3. Describe the method you would use in charging for any special request, reports, or broadening of the scope of the work beyond that described in this document.
4. Please provide any additional information about your firm's proposed charges for this engagement.

## **Other Information**

Provide any other information that you believe will assist the Town in making its selection. Such information may be in this last section of your proposal or may be presented in one or more appendices.

## **Basis for the Award**

Proposals will be evaluated on a predetermined set of criteria including, but not limited to, general qualifications and experience of the firm, proposed approach to this engagement, fee proposal, references and whatever other information is provided by the proposer to assist the selection committee in making a selection decision.

During the evaluation process, the selection committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the selection committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

The Town reserves the right to reject any or all proposals submitted, to request additional information from any Proposer, and to negotiate with any of the Proposers regarding the terms of the engagement. The Town intends to select the firm that, in its opinion, best meets the Town's needs, not necessarily the firm that proposes the lowest fees.



**Indemnification and Insurance Exhibit**  
**Professional Actuarial Consulting Services**  
**BID#6602 RFP**

For purpose of this Exhibit, the term "Consultant" shall also include their respective agents, representatives, employees, contractors of any tier; and the term "Town of West Hartford and West Hartford Board of Education" (hereinafter called the "Town") shall include their respective boards, commissions, officers, officials, employees, agents, representatives and volunteers.

**I. INDEMNIFICATION**

- A. Consultant agrees to defend, indemnify and hold harmless Town of West Hartford, West Hartford Board of Education and their respective boards and commissions, officers, officials, agents, representatives, employees and volunteers from any and all suits, claims, losses, damages, costs (including without limitation reasonable attorney's fees), compensations, penalties, fines, liabilities or judgments of any name or nature for, including, but not limited to, injuries or alleged injuries to person(s) (including without limitation, bodily injury, sickness, disease or death), or to property, real or personal, or financial losses (including, without limitations, those caused by loss of use) sustained by any person or concern is caused or alleged to have been caused in whole or in part by any and all negligent or intentional acts, errors or omissions of the Consultant, and Consultant's employees, agents, representatives, and contractors including any violation or non-compliance with any federal, state, local statute, ordinance, rule, law or regulation.
- B. This duty to indemnify shall not be constrained or affected by the Consultant's insurance coverage or limits, or any other portion of the Contract relating to insurance requirements. It's agreed that the Consultant's responsibilities and obligations to indemnify shall survive the completion, expiration, suspension or termination of the Contract.
- C. The Consultant shall have no responsibility or liability for the adequacy of the Town's Risk Management Fund and makes no representations or warranties, express or implied concerning the solvency or ability of the Town to pay claims.

**II. INSURANCE**

**A. Insurance Requirements**

- 1. The Consultant shall obtain and maintain at its own cost and expense all the insurance described below continuously for the duration of the Contract, including any and all extensions, except as defined otherwise in this Exhibit.
- 2. Consultant's policies shall be written by insurance companies authorized to do business in the State of Connecticut, with a Best's rating of no less than A:VII, or otherwise approved by the Town.
- 3. All policies (with the exception of Worker's Compensation and Professional Liability) shall be endorsed to include the Town of West Hartford, West Hartford Board of Education, and their respective boards, commissions, officers, officials, employees, agents, representatives, and volunteers as an Additional Insured. The coverage shall include, but not be limited to, investigation, defense, settlement, judgment or payment of any legal liability. Blanket Additional Insured Endorsements are acceptable. Any Insured vs. Insured language shall be amended to eliminate any conflicts or coverage restrictions between the respective Insureds.
- 4. When the Town or the Consultant is damaged by failure of the Consultant to purchase or maintain insurance required under this Exhibit, the Consultant shall bear all reasonable costs including, but not limited to, attorney's fees and costs of litigation properly attributable thereto.

**B. Required Insurance Coverages:**

- 1. **Commercial General Liability:** \$1,000,000 each occurrence for premises/operations, contractual liability, independent contractors, personal injury and broad form property damage.
- 2. **Professional Liability (claims-made):** \$1,000,000 each claim / \$2,000,000 aggregate. Retroactive date under the policy shall precede the effective date of this Contract. The Consultant shall maintain continuous coverage or obtain an extended reporting period in which to report claims for two (2) years after completion of the work to be performed under this Contract.

3. **Workers' Compensation and Employer's Liability:** Statutory coverage in compliance with the Workers' Compensation laws of the State of Connecticut. Policy shall include Employer's Liability with minimum limits of \$100,000 each accident, \$500,000 disease/policy limit, \$100,000 disease/each employee.

The Consultant represents that they are currently in compliance with all requirements of the State of Connecticut Workers' Compensation Act and that it shall remain in compliance for the duration of the Contract. The Consultant agrees that Workers' Compensation is their sole remedy and shall indemnify and hold harmless the Town from all suits, claims, and actions arising from personal injuries to the Consultant, however caused. This indemnity shall not be affected by a lapse of Workers' Compensation coverage and/or if the Consultant failed, neglected, refused or is unable to obtain Workers' Compensation insurance.

4. **Personal Property:** All personal property of the Consultant are the sole risk of the Consultant. The Consultant agrees to indemnify, defend and hold harmless the Town from any and all losses or damages, however caused, to any and all personal property belonging to the Consultant.

**C. Additional Terms**

1. Minimum Scope and Limits: The required insurance shall meet the minimum scope and limits of insurance specified in this Exhibit, or required by applicable federal, state and/or municipal law, regulation or requirement, whichever coverage is greater. Providing proof of compliance with the insurance requirements described in this Exhibit is not intended, and shall not be construed to exclude the Town from additional limits and coverage available to the Consultant.

Acceptance by the Town of insurance submitted by the Consultant does not relieve or decrease in any manner the liability of the Consultant arising out of or in connection with this Contract. The Consultant is responsible for any losses, claims and costs of any kind which exceed the Consultant's limits of liability, or which may be outside the coverage scope of the policies, or a result of non-compliance with any laws. The requirements herein are not intended, and shall not be construed to limit or eliminate the liability of the Consultant that arises from the Contract.

2. Certificates of Insurance: The Consultant shall provide certificates of insurance and policy endorsements acceptable to the Town confirming compliance with this Exhibit and thereafter upon renewal or replacement of each required policy of insurance. Upon request, the Consultant agrees to furnish complete copies of the required policies.
3. Premiums, Deductibles and Other Liabilities: Any and all related costs, including but not limited to, deductibles, retentions, losses, claim expenses, premiums, taxes, and audit charges earned are the sole responsibility of the Consultant.
4. Occurrence Form, Primary and Non-Contributory: All required insurance coverage shall be written on an occurrence basis, except as defined otherwise in this Exhibit. Each required policy of insurance shall be primary and non-contributory with respect to any insurance or self-insurance maintained by the Town.
5. Claims-made Form: Insurance coverage written on a claims-made basis shall have a retroactive date that precedes the effective date of this Contract. The Contractor shall maintain continuous coverage or obtain an extended reporting period in which to report claims following end of the Contract, for a minimum of two (2) years, except as defined otherwise in this Exhibit.
6. Waiver of Rights of Recovery: Both the Consultant and Consultant's insurers shall waive their rights of recovery or subrogation against the Town.
7. Claim Reporting: Any failure of the Consultant to comply with the claim reporting provisions of the required insurance policies shall not relieve the Consultant of any liability or indemnification in favor of the Town for losses which otherwise would have been covered by said policies.
8. Cancellation Notice: Each required insurance policy shall not be suspended, voided, cancelled or reduced except after thirty (30) days prior written notice has been given to the Town, ten (10) days for non-payment of premium.